ACTION H-00

RELEASED IN FULL

INFO	LOG-00	NP-00	AID-00	AIT-03	A-00	ACQ-00	CEA-01
	CIAE-00	CTME-00	INL-00	DINT-00	DODE-00	DOEE-00	ITCE-00
	DOTE-00	SRPP-00	DS-00	EAP-00	EB-00	EXME-00	EUR-00
	E-00	FAAE-00	FBIE-00	UTED-00	VC-00	FRB-00	TEDE-00
	INR-00	IO-00	ITC-01	L-00	VCE-00	M-00	AC-00
	DCP-01	NSAE-00	NSCE-00	OES-00	OMB-00	OPIC-01	EPAU-00
	PA-00	TFBI-00	PER-00	PM-00	PRS-00	ACE-00	P-00
	IRM-00	SSO-00	SS-00	STR-00	TEST-00	TRSE-00	T-00
	USIE-00	EPAE-00	PMB-00	DSCC-00	PRM-00	DRL-00	G-00
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R 110921Z DEC 03
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 9130
INFO ASEAN COLLECTIVE
AMEMBASSY SEOUL
AMCONSUL HONG KONG
AMCONSUL SHANGHAI
DEPT OF TRANSPORTATION WASHDC
DEPT OF COMMERCE WASHDC

UNCLAS BANGKOK 008022

SENSITIVE

STATE ALSO FOR H; EAP/BCLTV; EB; EAP/EP

E.O. 12958: N/A
TAGS: ECON, EAIR, ETRD, PREL, PINR, APEC, TH
SUBJECT: CODEL DUNCAN VISIT TO THAILAND

Summary

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1. (U) A six-member congressional delegation from the House Transportation Committee visited Bangkok December 2-4 and met with Foreign Minister Surakiart Sathirathai, Transportation Minister Suriya Jungrungreangkit, and dined with Prime Minister Thaksin Shinawatra and members of CODEL Stevens (Senators Stevens and Inouye) aboard a boat cruising the Chao Phraya river.

2. (SBU) In addition to asking about Thailand's transportation sector, the delegation stressed the strong bilateral relations between Thailand and the U.S. and thanked the Ministers for Thailand's assistance in the war on terrorism. Foreign Minister Surakiart highlighted Thailand's

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cooperation on terrorism and transportation security and emphasized the importance of exchanging intelligence information. He also offered the frank opinions that only a "very slim" majority of Thai people support U.S. actions in Iraq, and that Thailand may need to "phase-in" some sectors of the economy in any future free trade agreement with the U.S. Transportation Minister Suriya stressed the importance of transportation security and noted Thailand's cooperation in this area. He also assured the delegation that the new airport would be completed by 2005 and that Thailand would tackle its traffic and transportation infrastructure problems. Transportation Ministry Permanent Secretary Srisook Chandarangsu also told the delegation that Thailand would agree to a passenger open skies aviation agreement if the U.S. granted cabotage rights to Thai air carriers.

3. (U) Lead by John Duncan (R-IL), the group included Jerry Costello (D-IL), Cliff Stearns (R-FL), Bud Cramer (D-AL), Eddie Bernice Johnson (D-TX), John Boozman (R-AR), and Committee Staff members Lloyd Jones (Majority, Chief of Staff), David Heymsfeld (Minority, Staff Director) and Jimmy Miller (Director, Facilities and Travel). End Summary.

Foreign Minister Surakiart Meeting

CODEL Thanks Minister for Assistance in Terrorism War

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4. (SBU) During a 30-minute meeting with Foreign Minister Surakiart, the members of CODEL Duncan expressed their appreciation for the support Thailand has provided in the war on terror and noted positively the "close, special" relationship that exists between Thailand and the U.S. Representative Costello added that the delegation wanted to tell the people of Thailand that the United States appreciates the good relations it enjoys with Thailand. Foreign Minister Surakiart also noted the close bilateral relationship and reminded the delegation of Thailand's status of being a long-standing treaty ally. He then explained that Thailand and the U.S. have a "very good" intelligence exchange in the fight against terrorism, including a direct link between himself and Ambassador Johnson. This exchange helped Thailand capture the Jamaah Islamiya terrorist Hambali and several of his subordinates.

5. (SBU) In response to a question from Representative Cramer about the status of the war on terrorism in Thailand, Minister Surakiart emphasized the need for the continued exchange of intelligence information. He said that while Thailand does not have any terrorist cells in the country,

individual terrorists transit Thailand. Citing the fact that Thailand has over 11 million tourists each year, Minister Surakiart said that tracking dangerous people would be impossible without the exchange of intelligence information.

6. (SBU) Minister Surakiart explained that technological advancements are needed to "stay a step ahead of the terrorists." In this regard, he noted that Thailand is developing an "E-Passport" which will have many high-tech features and will be compatible with U.S. systems. This new passport will be ready in the next four to five months.

7. (SBU) Representative Stearns asked Minister Surakiart if the Thais support U.S. actions in Iraq. Minister Surakiart responded that while "ninety-nine percent" of Thai people support the war on terror, he noted that "many have a different opinion on Iraq." He explained that he thinks that the majority of Thais still support the U.S. role in Iraq, but that the majority was "very slim."

Foreign Minister Addresses Transportation Issues

8. (SBU) Representative Duncan welcomed the all-cargo open skies agreement signed by Minister Surakiart and Secretary Powell on October 18. He explained that the experience of the U.S. has indicated that aviation traffic increases for both signatories whenever such an open skies agreement is reached, and expressed the hope that Thailand will further liberalize its air transportation agreements. Minister Surakiart responded generally that he was pleased to have signed the cargo open skies agreement and said that Thailand continues to be interested in liberalizing air transportation agreements. For example, the recent visit of the Indian Prime Minister led to an agreement which will expand passenger flights between Thailand and India, Surakiart said.

9. (SBU) Regarding transportation security, Minister Surakiart highlighted Thailand's cooperation in the STAR-BEST (Secure Trade in the APEC Region - Bangkok-Seattle Efficient and Secure Trade) initiatives and the CSI (Container Security Initiative). He also indicated a desire to continue progress toward a Bilateral Air Safety Agreement.

Foreign Minister on Free Trade Agreement

10. (SBU) Representative Johnson asked about the recent announcement to launch U.S.-Thailand Free Trade Agreement (FTA) negotiations. Surakiart explained that he welcomed the announcement and believes such an agreement will be mutually beneficial. Regarding benefits for the U.S., the current

growth of the Thai economy will continue to expand the market for U.S. goods exported to Thailand. The U.S. will benefit greatly from an increase in the services sector, including aviation, cargo transport, telecommunication and financial services, according to the Foreign Minister.

11. (SBU) After Representative Duncan explained the concern in Congress about the loss of jobs in the U.S., Minister Surakiart said that the same concern exists in Thailand, but he believes that an FTA will have an "overall balance" with each side "winning in some sectors and losing in others." To prevent damaging job losses in the Thai economy, Minister Surakiart warned that in an eventual FTA, Thailand may need to have a "phase in" of free trade in some sectors of the economy.

Meeting with Transportation Minister Suriya

Minister Stresses Secure Trade

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12. (SBU) The Duncan Congressional Delegation met with Transportation Minister Suriya and his staff for 45 minutes on December 3 to discuss trade and transportation issues. Minister Suriya greeted the delegation and presented them with a short speech on transportation issues of importance, leading off with what he termed the overall goal of ensuring secure trade between Thailand and the U.S. He noted that trade is increasing between Thailand and the U.S., but that it was important to cooperate closely on security issues, which have become paramount following September 11, 2001.

13. (SBU) In terms of security cooperation, Minister Suriya highlighted the above referenced STAR-BEST project for tracking containers, which was unveiled by Secretary Powell at the recent APEC meetings. He said that he was told that a report would be prepared regarding any security issues found during the test run, and he asked the delegation when the BEST report would be made available to Thailand. In response, Representative Costello said the study would be available by the end of December.

Aviation Issues

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14. (SBU) Representative Costello raised the issue of the new airport and asked when it was expected to begin operations. Ministry of Transportation Permanent Secretary Srisook Chandarangsu (also Chairman of the New Bangkok International Airport Company Ltd.) was present and responded to this question by announcing that on December 17, 2003, the Prime Minister will sign a Memorandum of Understanding with airport

contractors to ensure completion of the airport by September 29, 2005. Under this "revised schedule," the entire superstructure will be complete by March 31, 2005 and the airport will then be ready for testing. Regarding financing,

Permanent Secretary Srisook explained that the airport will ultimately require 120,000 million Baht (USD 3 billion), of which 50,000 million Baht will come from the Airports of Thailand Public Company Ltd. (AOT), and 70,000 million Baht will come from joint venture partners.

15. (SBU) Minister Suriya, continuing to emphasize the theme of transportation security, said that the new Bangkok airport will be the most secure in the world. As an example, he noted a recent trip to San Francisco to get information on security x-ray machines which will used at the new airport. Finally, he mentioned the introduction of new passports in Thailand as an example of Thailand's commitment to security.

16. (SBU) Representative Boozman told Minister Suriya that Federal Express operates part of its U.S. facility in his Arkansas district, and he asked the status of a dedicated airside access facility for the air express cargo carriers. Permanent Secretary Srisook responded that he had met with Federal Express to discuss this issue, and he was confident that they would not have any problems operating at the new airport. He did not offer a clear response, but indicated that, most likely, air express carriers would operate much as they now operate at the Bangkok International Airport. There will be two companies with airside cargo terminals (Thai Airways and one consortium to be determined), and any U.S. air express carrier could lease space to operate airside from these companies.

17. (SBU) Representative Costello favorably noted the recently signed cargo open skies agreement between Thailand and the U.S. and asked Minister Suriya if Thailand would be willing to liberalize further by agreeing to a passenger open skies agreement. Permanent Secretary Srisook said that Thailand would like passenger open skies, but he does not believe the U.S. is ready. He explained that he would like for Thai air carriers to enjoy passenger cabotage rights in the U.S market, and that Thailand was ready to offer U.S. carriers passenger cabotage rights within Thailand.

Traffic Plan?
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18. (SBU) Representative Stearns noted the immense traffic problem within Bangkok and the lack of adequate transportation infrastructure in Thailand, and asked Minister

Suriya if he had any long term plans for addressing these issues. Minister Suriya responded that the Prime Minister is now focused on this problem and that the government is committed to a solution. The government has a six-year plan to address this issue which will cost over 20 billion USD. Of this amount, one-half will be spent to address Bangkok Traffic (through new and expanded mass transit), and one-half will be spent on railway improvement in the remainder of Thailand. Also addressing the issue of Bangkok traffic, Minster Suriya said he was considering other measures such as a new tax on cars to increase usage of mass transit.

Dinner Cruise with Prime Minster Thaksin

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18. (U) On the final night of their visit to Bangkok, Prime Minister Thaksin hosted CODEL Duncan and CODEL Stevens for a dinner cruise on a naval vessel in the Chao Phraya river in what was essentially a social function. During the dinner, members of the delegation expressed their interest in the upcoming FTA negotiations and told Prime Minister Thaksin that it was their hope that an FTA would bring about an improvement in market access for U.S. goods and services.

19. (U) CODEL Duncan did not have an opportunity to review this message before their departure.
JOHNSON

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